



Guayaquil, October 2016

To whom it may concern:

CONAUTO is a company that commercializes industrial and automotive products. Within our main business lines we are a leading company in the distribution of lubricants and tires, in addition to commercializing batteries, filters, automotive and industrial equipment, among others. We have a long tradition in Ecuador with a presence for over 45 years in the country's main cities.

Currently, CONAUTO has decided to optimize its efforts oriented towards improving customer service by building a more efficient organization. Therefore, from April to October 2016 we developed along with London Consulting Group the project called **CONACTION (CONACCION)**. During this project we developed the procedures, tools and policies to increase efficiency in the areas of Purchasing, Warehousing, Distribution, Credit and Collections, as well as the Commercial areas at a national level.

The methodology that London Consulting taught us and the dedication of **CONAUTO's** personnel, along with a Management Skills program were key for the achievement of the set objectives. Our personnel and London Consulting Group's carried out the implementation of the new models on each module. Thanks to these initiatives, the culture within the company has been transformed towards the fulfillment of objectives and follow-up through efficient and organized work systems. Also, communication and coordination between the work areas involved in the process have been improved.

The project focused on sales increases, collection of past due accounts and logistics improvement achieving a ROI of 2.8 to 1 at the end of the project and a projected ROI of 11.4 to 1 by October 2017 with structural and permanent financial benefits.

The main qualitative and quantitative results were as follows:

Commercial

- A 16% increase in the company's invoicing.
- A 6% increase in cross-selling with respect to total sales.
- A 45% increase in average productivity of the sales force.
- A tool was designed for the evaluation of performance and results of the sales force to determine any deviations occurring and to develop trainings of which 420 man-hours were offered in Sales Clinics to over 100 sales agents and their supervisors at a national level.
- Reconfiguration of commercial zones and client portfolio allocation to the company's entire sales force.
- Mapping of satellite positions of 100% of our current and potential customers.

Credit and Collections

- A 6% decrease in past due accounts.
- A 21% decrease in the amount of invoices blocked at a general level, due to automatic capacity updates.

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- An automated mechanism was developed for a credit line update for all clients according to their purchase and payment behavior.
- Implementation of a scoring tool which allows us to assign a credit line aligned to the client's reality.

Logistics

- A 46% reduction in lost sales.
- A 33% optimization of the fleet intended for distribution and an increase in the level of service to the clients.
- A 5% increase in reliability of inventory at a national level.
- Design of the inventory replacement tool in order to process orders on time and for the correct amount in each of the business lines.

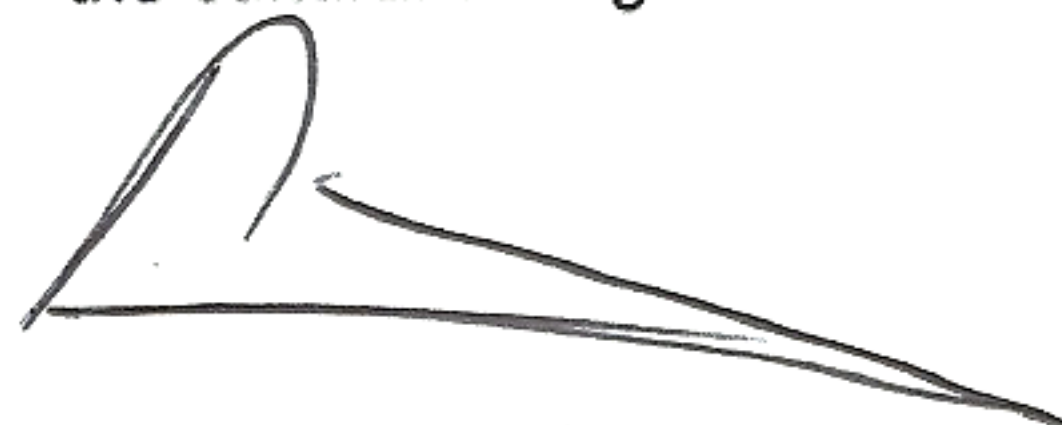
Other qualitative improvements were as follows:

- Management indicators were designed and implemented through a portal for all areas in the project as a means to improve the integral management which is the foundation for the development of the governance model.
- 1,000 man-hours in training were offered on different topics for Management Skills Development to a total of 50 executives.
- Efficient operational meetings were implemented for the review of results at different levels within the organization.
- The S&OP "Sales and Operation Planning" meeting was implemented through which the coordination between the Commercial and Supply areas was promoted.

The project concluded successfully in the established timeframe surpassing all of our expectations, supported by the professionalism and commitment of **CONAUTO's** personnel, as well as London Consulting Group's personnel.

It is worth noting the effectiveness of the analysis and development methodology of the solutions used achieving a quick understanding of the business operations and working well together with our personnel at all levels in order to implement shoulder-to-shoulder the designed processes.

Based on the above it is our pleasure to highly recommend London Consulting Group as a professional and committed consulting firm that contributes in obtaining tangible results in the short term and facilitates the cultural change for the sustainability of such results.



Rene Konanz S.
General Manager

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